

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Centre may allow additional sugar exports, *IMD's track record clouds 2011 Monsoon forecast*,
Coffee planters shift to Robusta variety as pests attack Arabica, * Food inflation eases on cheaper
vegetables, pulses*, * Low rainfall hits sowing in Western India*, *India to export wheat and rice this
year*, * Indian Prime Minister gives nod to Food Bill Draft*, *Favorable monsoon in the state of West
Bengal likely to boost rice production*

General Information:**CENTRE MAY ALLOW ADDITIONAL SUGAR EXPORTS**

The government may consider allowing more sugar exports provided prices in the retail markets remain stable. Sugar mills in Maharashtra, the largest sugar producing state in the country, have been demanding that the government should allow the export of two million tons of sugar. While the government had allowed export of an additional 500,000 tons of sugar in June following demand from millers, in April, it had allowed export of another 500,000 tons of sugar. In total, it has allowed export of 1 million tons of sugar in the current crop marketing year that ends in September. (Source: [Business Standard](#), 07/01/11)

IMD'S TRACK RECORD CLOUDS 2011 MONSOON FORECAST

The Indian Meteorological Department's (IMD's) second estimate has lowered the cumulative forecast for the entire country during the four-month monsoon season (June-September), from normal to below normal in a span of less than three months. Though the drop is marginal at 95 percent of the Long Period Average (normal rains are categorized as normal if it falls between 96 and 100 percent of LPA) and given that the prediction comes with a model error of plus or minus four per cent, there is little chance of a repeat of 2009, but given the IMD's track record in predicting low monsoon years, there are definite worries. "There are some concerns, but definitely 2011 will not be a repeat of 2009 when IMD had predicted a normal monsoon, but actual rains were far less," assures IMD Director General Ajit Tyagi. In 2009, IMD had initially predicted southwest monsoon to be 96 percent of LPA, just bordering on normal and below normal. But, the actual rains were almost 77 percent of LPA, leading to the worst drought in the country in almost three decades. Though, the department did revise its initial forecast downward to 88 percent, the actual rains were still much less than the revised numbers. (Source: [Business Standard](#), 07/1/11)

COFFEE PLANTERS SHIFT TO ROBUSTA VARIETY AS PESTS ATTACK ARABICA

Coffee planters are slowly moving away from cultivating the Arabica variety of coffee on the back of reducing productivity due to pest and disease attacks. The Robusta variety has replaced Arabica due to its lower susceptibility to diseases and higher productivity. As per data available with the Coffee Board, the area under the Arabica variety has fallen to 48 per cent of the total planted area in 2010-11 from around 73 per cent in 1950-51. Similarly, the area under Robusta has increased from 27 per cent of the total cultivated area in 1950-51 to 52 per cent in 2010-11, indicating constant migration from Arabica to Robusta. (Source: [Business Standard](#), 06/29/11)

FOOD INFLATION EASES ON CHEAPER VEGETABLES, PULSES

According to data issued by the Government, food inflation, as measured by the annual Wholesale Price Index (WPI), rose 7.78 per cent rise reported during the previous week. It was over 20 per cent during the corresponding week of 2010. According to the data, inflation in vegetables was down 10 per cent year-on-year during the latest reported week, with potatoes down 2.4 per cent. Pulses also recorded a dip in year-on-year inflation, which dropped by 9.50 per cent during the week. Fruits were up over 25

per cent, eggs, meat and fish surged by over 10 per cent and onions shot up by over 16 per cent. (Source: [Business Line](#), 07/01/11)

LOW RAINFALL HITS SOWING IN WESTERN INDIA

Delayed monsoon rains in Gujarat, Maharashtra and Rajasthan are expected to impact the sowing of key crops such as cotton, groundnut, soybean, sesame and potato etc. According to the India Meteorological Department, monsoon is likely to remain subdued over the three states. The advanced pre-monsoon showers across the western region of the country had raised hopes of rains on time during sowing. At a few places across the three states, farmers might have to re-sow due to the recent inclement weather. In Maharashtra, where the monsoon set in two days ahead of its schedule, rainfall has been insufficient for sowing pulses, soybean and cotton. (Sources: [Economic Times](#), 07/01/11 and [Business Standard](#), 07/01/11)

INDIA TO EXPORT WHEAT AND RICE THIS YEAR

Indian food minister Mr. K. V. Thomas has agreed to export wheat and rice this year as the country is sitting on record stocks amid bumper production. "I do not mind exports of some quantity of wheat and rice as there is bumper production," Thomas said, revealing that there were 'some proposals' for allowing export of two million tons of wheat and one million tons of rice from some ministries and state governments. "A decision in this regard will be taken by the Empowered Group of Ministers. I hope a decision will be taken at the earliest," he added. India has over 65.5 million tons of foodgrains stocks this year that has raised storage concerns. (Source: [Indian Express](#), 06/30/11)

INDIAN PRIME MINISTER GIVES NOD TO FOOD BILL DRAFT

The Indian Prime Minister, Manmohan Singh has approved the final draft food security bill. The bill, when passed, will provide cheaper foodgrain to 75 percent of the population, or 900 million Indians. The draft bill is now released to various ministries for feedback, as is required under law-making. The food minister, Mr. K. V. Thomas, however, mentioned that the bill could still undergo changes, if required. The food ministry prepared the new food security bill after reworking an earlier version to reconcile what had been "promised to the people" by the ruling Congress in its manifesto and the Centre's fiscal constraints. (Source: [Hindustan Times](#), 07/01/11)

FAVORABLE MONSOON IN THE STATE OF WEST BENGAL LIKELY TO BOOST RICE PRODUCTION

Favorable monsoon in West Bengal is likely to increase the state's rice production by at least 25 percent over last year. Sushil Chaudhuri, general secretary of the All India Rice Mill Association, said that farmers have already started sowing paddy in the fields and they hope to produce at least 25 percent more than what they did last year. The state of West Bengal is one of the major rice producing states in India and produces around 14.5 million tons paddy every year with 10.50-11.00 million tons produced during kharif (July-November) season of which July-September are monsoon months. (Source: [The Financial Express](#), 07/01/11)

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IN1158	Cotton Voluntary – July 2011	06/28/2011
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